



30 April 2018

To: The President  
The Stock Exchange of Thailand

Re: Q1-2018 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to notify the Company's Q1-2018 (Jan-Mar) operating results based on its reviewed consolidated financial statements ended 31 March 2018 as follows.

### Highlights on Q1-2018 Operating results

Unit : Million Baht	Q1-18		Q1-17		Q4-17		% Change	
	Amount	%	Amount	%	Amount	%	Q1-18 VS Q1-17	Q1-18 VS Q4-17
Sales Revenue	12,528	100.0	12,127	100.0	12,698	100	3.3	(1.3)
Gross profit	2,731	21.8	3,218	26.5	3,106	24.4	(15.1)	(12.1)
Operating profit	1,020	8.1	1,377	11.4	1,363	10.7	(26.0)	(25.2)
Net profit	1,054	8.4	1,348	11.1	1,329	10.4	(21.8)	(20.6)
<b>EPS) Baht(</b>	<b>0.85</b>		<b>1.08</b>		<b>1.06</b>			

Overall performances of the company in this quarter have been affected from 2 major unfavorable conditions including the strong appreciation of THB/USD, which strengthened from the average rate of Baht 35.1060/USD in Q1-17 to Baht 31.5422/USD in the same period this year, and the shortage of some items of raw materials, especially electrical parts, resulted in higher cost of raw materials. These have adversely affected the company's sales revenues and profit.

Sales revenues of this quarter amounting to Baht 12,528 million, went up 3.3% from those of the same period last year but slightly dropped from last quarter. However, if the impact on the fluctuation of THB/USD is not taken into consideration, sales growth in this quarter would become approx. 15.0% over the same period of last year.

Sales growth remains driven by Power Electronics business group, especially power supplies for automotive sector (Electric Vehicle Solutions) which increased about 1 time from the same period of last year and 22.1% from last quarter. This is due to the increasing demands Europe markets and other regions following the recovery in EU economy and the start of mass production of this product, resulting in a continuous sales growth since last year. However, sales of Telecom Power System (TPS) products declined 13.3% from the same quarter of last year.

Gross profit of this quarter amounted to Baht 2,731 million, 15.1% down from the same quarter of last year and 12.1% from last quarter mainly because of 1) the significant appreciation of THB/USD, 2) shortage of some electrical parts which has resulted in higher cost of goods sold, and 3) higher depreciation incurred by the investments in new machineries for replacements and also for the launch of the production automation under the scheme of "Delta Smart Manufacturing". The company believes that it would benefit the company by enhancing energy saving and improving the productivity both in



short and long term. As a results of the above reasons, gross margin has reduced to 21.8%, dropped from 26.5% and 24.4% from the same quarter of last year and last quarter respectively.

However, selling and administrative expenses (including research and development R&D) to sales ratio is down from 15.2% in the same quarter last year to 13.7% in this quarter due to the lower selling expenses. But if considering only research and development expenses, those expenses increased 12.1% from the same period last year caused by some additional headcounts of R&D personnel in Germany and India to enhance R&D activities.

Operating profit in Q1-18 totaling Baht 1,020 million is 26.0% or Baht 357 million down from the same quarter of last year making operating profit margin dropped from 11.1% in the same quarter last year to 8.1% following the increase of cost of goods sold as mentioned earlier. Net profit in this quarter is Baht 1,054 million, 8.4% down from the same period last year, with EPS of Baht 0.85, compared to Baht 1.08 in Q1-17.

### Highlights on Financial Position

Unit : Million Baht	31 Mar 18	31 Dec 17	%Change
Cash and Cash equivalents	17,833	17,320	3.0
Trade and other receivables	10,352	10,468	(1.1)
Inventories	7,995	7,684	4.0
Investments in associated companies	712	593	20.1
Property, plant and equipment	7,284	7,302	(0.2)
Others	2,565	2,650	(3.2)
<b>Total Assets</b>	<b>46,741</b>	<b>46,017</b>	<b>1.6</b>
Bank overdrafts and short-term loans	215	229	(5.9)
Trade and other payable	11,022	10,480	5.2
Others	2,394	2,835	(15.6)
<b>Total Liabilities</b>	<b>13,631</b>	<b>13,544</b>	<b>0.6</b>
<b>Total Shareholders' equity</b>	<b>33,110</b>	<b>32,473</b>	<b>2.0</b>
<b>Total Liabilities and shareholders' equity</b>	<b>46,741</b>	<b>46,017</b>	<b>1.6</b>

### Total Assets

As of 31 March 2018, total assets of the company and its subsidiaries stood at Baht 46,741 million, insignificantly changed from those of 31 December 2017. Some changes in key assets are summarized below.



**Net trade and other receivables** as of 31 March 2018 were Baht 10,352 million, marginally down from its balance as of 31 December 2017. Most of the outstanding balance of trade and other receivables, almost 89% of total net trade and other receivables, were under current due. Average collection period decreased from 76 days to 75 days.

**Inventory (net)** as of 31 March 2018 amounted to Baht 7,995 million, an increase of Baht 111 million or 4.0% from those of 31 December 2017. The major increase item is raw material which is aimed to promptly support the expected higher production volume in second quarter. However, inventory turnover days has reduced from 73 days to 72 days.

**Investments in associated companies** as of 31 March 2018 amounted to Baht 712 million, increasing approx. Baht 119 million. The major item is the additional capital injection in Delta Greentech Electronic Industry LLC of approx. Baht 95 million to support its business expansion.

### **Total Liabilities**

As of 31 March 2018, total liabilities of the company and its subsidiaries stood at Baht 13,631 million, slightly up from those of 31 December 2017. Major change in liabilities is trade and other payable and the main items are raw material trade payable and accrued expenses.

### **Shareholders' Equity**

As of 31 March 2018, shareholders' equity of the company and its subsidiaries were Baht 33,110 million, an increase of Baht 636 million or 2.0% from those of 31 December 2017. This is attributed to the profits generated during the first quarter of this year totally Baht 1,054 million. However, as a result of USD depreciation that negatively affected the exchange differences on translation of financial statements in foreign currency, the shareholders' equity reduced by Baht 434 million.

Please be informed accordingly.

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Anusorn Muttaraid  
Director